

**Exhibit G**

SUMMARY OF PENSION REFORM

## TERMS FOR MODIFICATION OF PREPA ERS OBLIGATIONS

To avoid creating future pension liabilities and to stabilize the system for the benefit of future retirees and ratepayers, the PREPA ERS plan benefit accrual shall be frozen upon the Effective Date of the Plan of Adjustment (the “POA Effective Date”).

Following is a summary of the terms of the Plan’s freeze of further defined benefits of under the PREPA ERS.

The modifications listed herein modify the obligations of PREPA and any other government employer whose employees continue to participate in the PREPA ERS defined benefit plan to fund the benefits provided by PREPA ERS as established in regulations by the Governing Board of the Puerto Rico Electric Power Authority on July 1, 1945 and all subsequent amendments through the POA Effective Date, and are to be adhered to in the administration of PREPA ERS benefits by PREPA ERS. Administrative procedures not addressed below (such as rounding procedures in determining ages and service of participants) should be consistent with past practices.

PREPA employees participate under a defined benefit (DB) formula that is either supplemental to, or coordinated with, Social Security. This applies to all active participants of PREPA ERS (“Member” or “Members”), regardless of title or job classification or employer. Members will retain the benefits they have accrued up to and including the POA Effective Date; provided, however, that any future cost of living adjustments shall be eliminated pursuant to the POA, as any right to such future adjustments is not an accrued benefit and will not be an accrued benefit as of the POA Effective Date. Benefits accrued from and after the POA Effective Date shall be based on contributions and earnings in new segregated defined contribution retirement accounts under Act 106-2017 funded by employee contributions. As a result, employees will have the certainty that their contributions and investments will be safeguarded for the future, ensuring retirement security.

Definitions	
<b>Covered Participants</b>	These terms pertain to the freeze of DB accruals of all active participants in PREPA ERS (including Mobilized Employees as described below)
<b>Retirement eligibility age</b>	Retirement Eligibility Age is the age at which a member may commence receipt of a monthly pension benefit.
<b>Retirement benefit</b>	The Retirement Benefit is the amount of benefit payable to a member each month.
<b>Creditable service</b>	Total of member and previous services that is credited for a pension.
<b>Mobilized Employees</b>	Former PREPA employees who have transferred or current PREPA employees who will transfer to Commonwealth instrumentalities in connection with a Public Private Partnership (“P3”) transaction. Mobilized Employees shall only receive Creditable Service for periods of employment with the Commonwealth to the extent that such service is provided under applicable law, and then only through the POA Effective Date.

<b>Average compensation</b>	The average of the 3 highest annual base salaries, limited to \$50,000 for members hired after 1/1/1993.
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<b>Timing</b>	
<b>Freeze Date</b>	PREPA ERS pension benefit accrual freeze becomes effective upon the POA Effective Date

### **Provisions of the proposal**

<b>Treatment of accumulated employee contributions</b>	Participants retain a vested right to receive the accumulated employee contributions in accordance with the PREPA ERS plan document in lieu of the retirement, death, disability or termination benefits applicable under PREPA ERS.
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<b>Retirement Eligibility prior to the Freeze Date</b>	<p>Prior to the Freeze Date, participants will retain the following eligibility for retirement under PREPA ERS:</p> <ul style="list-style-type: none"> <li>Participants hired before January 1, 1993: Age 60 or attainment of 20 years of service</li> <li>Participants hired on or after January 1, 1993: Age 60 with 5 years of service, age 65, 20 years of service, or attainment of age 50 with 30 years of service</li> </ul>
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<b>Retirement Eligibility after the Freeze Date</b>	<p>Beginning on the Freeze Date, participants will become eligible for retirement under PREPA ERS upon reaching the following age / service combinations:</p> <ul style="list-style-type: none"> <li>Participants hired before January 1, 1993: <ul style="list-style-type: none"> <li>Participants who have attained either Age 60 or 20 years of Creditable service as of the Freeze Date will be eligible to retire at any time.</li> <li>Participants not having attained either age 60 or 20 years of Creditable service at the Freeze Date will be eligible to retire based on age at the Freeze Date based on the following table:</li> </ul> <table border="1"> <tr> <th>Attained Age at Freeze Date</th><th>Retirement Eligibility Age after Freeze Date</th></tr> <tr> <td>57 and up</td><td>61</td></tr> <tr> <td>56</td><td>62</td></tr> <tr> <td>55 and under</td><td>63</td></tr> </table> </li> <li>Participants hired on or after January 1, 1993: <ul style="list-style-type: none"> <li>Participants who have attained age 60 with 5 years of Creditable service, age 65, or 20 years of Creditable service at the Freeze Date will be eligible to retire at any time</li> <li>All other participants will be eligible to retire once having either a) attained age 65 or b) the date the participant would have attained both i) 5 years of service assuming the freeze had not happened, and ii) the age based on the following table:</li> </ul> <table border="1"> <tr> <th>Attained Age at Freeze Date</th><th>Retirement Eligibility Age after Freeze Date</th></tr> </table> </li> </ul>	Attained Age at Freeze Date	Retirement Eligibility Age after Freeze Date	57 and up	61	56	62	55 and under	63	Attained Age at Freeze Date	Retirement Eligibility Age after Freeze Date
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<b>Elimination of minimum benefit</b>	The \$180 monthly minimum benefit for participants will be eliminated for participants retiring on or after the Freeze Date.						
<b>Elimination of use of sick leave to purchase credit towards a merit pension</b>	For separations of service or retirements occurring on or after the Freeze Date, Creditable service will be determined as of the Freeze Date and will not increase in the future. Prior to the Freeze Date, sick leave could be converted at retirement to service towards a merit annuity at a rate of 1 month for 15 days of accumulated sick leave time. After the Freeze Date, accumulated sick leave time will not be credited towards the pension benefit nor will any ability to purchase service be implemented. Applications to retire submitted prior to the plan confirmation date requesting application of sick time to purchase service will be honored.						
<b>Bonus payments</b>	<p>Summer and Christmas bonuses will be eliminated for retirements after the Freeze Date. One-time funeral bonus will be retained.</p> <p>Bonus payments will not be impacted for retirements occurring prior to the Freeze Date.</p>						
<b>Employee Contributions</b>	Employee contributions to PREPA ERS plan will cease as of the Freeze Date.						
<b>Implementation of Defined Contribution Accounts</b>	Mobilized employees will participate in the Commonwealth Defined Contribution (DC) accounts described under Act 106-2017 (Act 106). New DC accounts under a DC plan with the same provisions as Act 106 will be established for current PREPA employees.						
<b>Elimination of Cost of Living Adjustments (COLAs)</b>	<p>The COLAs that have been historically granted every three years will not be continued past the Freeze Date. Future COLAs will be eliminated. Previously granted COLAs will continue to be honored.</p> <p>Benefits that have been previously increased by historic COLAs will not be reduced and COLAs prior to the Freeze Date will be honored.</p>						
<b>Death benefits</b>	Terminations due to death will receive a refund of accumulated employee contributions.						
<b>Post Retirement Death Benefits</b>	For retirements occurring on or after the Freeze Date, the benefit will be payable as a lifetime annuity. If the participant elects at retirement to receive an annuity with a 30% survivorship benefit at the annuitant's death, the amount paid during the employee's lifetime will be the actuarial equivalent of the life annuity. The plan actuarial equivalence (i.e. mortality and interest rate) will be determined consistent with the determination of other optional forms of payment under the plan.						
<b>Disability benefits</b>	<p>Effective on the Freeze Date, participants who become disabled will be eligible to either:</p> <p>a. Receive a retirement benefit if the retirement eligibility criterion are otherwise met,</p>						

	<p>b. Receive a deferred pension if over 10 years of service has been accrued (payable identically to the benefits owed a vested terminated member), or</p> <p>c. Receive a refund of accumulated employee contributions</p>												
<b>Specific implications on Retirement Benefit</b>	<p>Retirement benefits will continue unchanged from those currently provided by PREPA ERS until the Freeze Date. Provisions for retirements occurring after the Freeze Date are as follows:</p> <p>a. Minimum benefits will no longer apply to future retirees.</p> <p>b. The freeze eliminates the ability to purchase additional service using unused sick or vacation time or by other means. Applications to retire submitted prior to the POA Effective Date requesting application of sick or vacation time to purchase service will be honored.</p> <p>c. Participants who were hired prior to January 1, 1993 who attained 25 years of Creditable Service as of the Freeze Date receive a life annuity equal to 2.5% of Average Compensation determined as of the Freeze Date times years of service at the Freeze Date (up to 30 years). If benefits are coordinated with Social Security, the benefit will be adjusted from ages 65 to 80 by reducing the benefit by \$40 per each year of Creditable Service at the Freeze Date (up to 30 years).</p> <p>d. Participants hired prior to January 1, 1993 who had not attained 25 years of Creditable Service as of the Freeze Date will receive a benefit of 1.5% of Average Compensation determined as of the Freeze Date per year of Creditable Service as of the Freeze Date plus an additional 0.5% of Average Compensation determined as of the Freeze Date per year of Creditable Service as of the Freeze Date beyond 20 years. If the commencement date of the member's benefit is prior to age 60, the benefit shall be the actuarial equivalent to the age 60 benefit.</p> <p>e. Participants hired on or after January 1, 1993 who attained 30 years of service as of the Freeze Date will receive a benefit equal to 75% of the Average Compensation determined as of the Freeze Date. The 75% factor will be further reduced for retirements prior to age 55 are as follows:</p> <table border="1"> <thead> <tr> <th>Age at retirement</th><th>Benefit Multiplier</th></tr> </thead> <tbody> <tr> <td>50</td><td>62.5%</td></tr> <tr> <td>51</td><td>65.0%</td></tr> <tr> <td>52</td><td>67.5%</td></tr> <tr> <td>53</td><td>70.0%</td></tr> <tr> <td>54</td><td>72.5%</td></tr> </tbody> </table> <p>f. Participants hired on or after January 1, 1993 who had not attained 30 years of Creditable Service as of the Freeze Date will receive a benefit of 1.5% of Average Compensation determined as of the Freeze Date per year of Creditable Service as of the Freeze Date plus an additional 0.5% of Average Compensation determined as of the Freeze Date per year of Creditable Service as of the Freeze Date beyond 20 years. If the commencement date of the member's benefit is prior to age 60, the benefit shall be the actuarial equivalent to the age 60 benefit.</p>	Age at retirement	Benefit Multiplier	50	62.5%	51	65.0%	52	67.5%	53	70.0%	54	72.5%
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<b>Funding Structure</b>	<p>Pensions will continue to be paid from the current pension trust (i.e. PREPA ERS). The funding structure of PREPA ERS will shift from a funded model to pay-as-you-go (PayGo). PREPA ERS will be reimbursed for PayGo payments to the extent provided in the Plan with funds sufficient to do so that PREPA will contribute to a new trust to be established pursuant to the PREPA plan of adjustment (the “PREPA PayGo Trust”). The assets of the PREPA PayGo Trust will be held in trust for the sole benefit of PREPA ERS.</p> <p>Assets in the PREPA Paygo Trust, including investment returns, will be used to reimburse the PREPA ERS for the annual PayGo and appropriate administrative expenses, to the extent PREPA ERS is entitled to such reimbursement under the POA. Any withdrawals from the PREPA Paygo Trust will require approval of the PREPA PayGo Trust Board of Trustees and shall only be used by PREPA ERS to fund the payment of PayGo made consistently with the DB plan as modified by the POA.</p>
<b>Negotiated benefits in addition to PREPA-ERS benefits</b>	
<b>Negotiated Benefit Description</b>	<p>Benefits will be paid to participants if their termination from active service at PREPA results from any of the following:</p> <ul style="list-style-type: none"> <li>• Physical or mental disability</li> <li>• Retirement or termination upon meeting age or service requirements of PREPA ERS</li> <li>• Death of an active member</li> </ul> <p>Benefits are only payable in a single instance and a participant who returns to work is not eligible to receive any additional benefit from these provisions</p>
<b>Negotiated Benefit Amount</b>	<ul style="list-style-type: none"> <li>• Retirement, disability or general passing: \$7,000</li> <li>• Death related to employment duties: \$20,000</li> <li>• Death related to employment duties specific to a Power Line Technician or in job positions specifically identified as eligible for special annual risk compensation: \$50,000</li> <li>• Physical disability resulting from employment duties: \$8,000</li> </ul>
<b>Impact of Freeze on Negotiated Benefit Amounts</b>	<p>One-time benefits described under this formula are not impacted by the pension freeze</p>